



**CALIFORNIA**  
MASSAGE THERAPY  
COUNCIL

Board of Directors  
Meeting

# AGENDA

September 28-29, 2016

Marina Del Rey Hotel

Marina Del Rey

## **MISSION STATEMENT**

**California Massage Therapy Council's mission is to protect the public by certifying qualified massage professionals in California.**

# **California Massage Therapy Council**

## **Board Members**

Mark Dixon, Chairman, Appointed by American Massage Therapy Association, California Chapter

Ronald Bates, Vice Chair, Appointed by League of California Cities

Allison Budlong, Secretary, Appointed by California Association of Private Postsecondary Schools

Michael Marylander, Treasurer, Appointed by Board

Michael Callagy, Appointed by Board

Shana Faber, Appointed by Board

Jeff Forman, Appointed by the Office of the Chancellor of the California Community Colleges

Heather Forshey, Appointed by San Mateo County Department of Health

Guy Fuson, Appointed by California State Association of Counties

Minouche Kandel, Appointed by Department of Consumer Affairs

Stephanie Powell, Appointed by Journey Out, Anti-Human Trafficking Organization

Dixie Wall, Appointed by American Massage Council

## **FUTURE BOARD MEETINGS\***

November 10, 2016 - Hilton San Francisco Airport  
Bayfront - Burlingame

\*The above meeting dates and locations are subject to change.  
Actual meeting dates and locations will be posted on the CAMTC  
website 10-days prior to the meeting.



## **RULES OF DEBATE AND DISCUSSION**

1. Only one item, the item on the floor, is discussed at a time.
2. Only one person speaks at a time:
  - The person introducing the item;
  - The person speaking for or against the item;
  - Or the person asking or answering a question or raising a point of order.
3. Side conversations will be ruled out of order.
4. Directors debating a motion will have two minutes to speak, once on each motion, with three each from supporting and opposing sides, at which time the motion will go to a vote. The board may vote to extend time for debate.
5. When you want to speak, raise your hand and wait to be called on by the Chair.
6. A question is not an occasion to make an argument.

See accompanying Parliamentary Procedures At-A-Glance

## Parliamentary Procedures At-A-Glance

<b>To Do This (1)</b>	<b>You Say This</b>	<b>May You Interrupt Speaker?</b>	<b>Must You Be Seconded?</b>	<b>Is the Motion Debatable?</b>	<b>Is the Motion Amendable?</b>	<b>What Vote is Required?</b>
Adjourn the meeting (before all business is complete)	“I move that we adjourn.”	May not interrupt speaker	Must be seconded	Not debatable	Not amendable	Majority vote
Recess the meeting	“I move that we recess until...”	May not interrupt speaker	Must be seconded	Not debatable	Amendable	Majority vote
Complain about noise, room temperature, etc.	“Point of privilege”	May interrupt speaker	No second needed	Not debatable (2)	Not amendable	None (3)
End debate	“I move the previous question”	May not interrupt speaker	Must be seconded	Not debatable	Not amendable	Majority vote
Amend a motion	“I move that this motion be amended by..”	May not interrupt speaker	Must be seconded	Debatable	Amendable	Majority vote
Object to a procedure or to a personal affront	“Point of Order”	May interrupt the speaker	No second needed	Not debatable	Not amendable	None (3)
Request information	“Point of information”	If urgent, may interrupt speaker	No second needed	Not debatable	Not amendable	None

Notes:

1. These motions or points are listed in established order of precedence. When any one of them is pending, you may not introduce another that’s listed below it. But you may introduce another that’s listed above it.
2. In this case, any resulting motion is debatable.
3. Moderator decides.



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

Sent and Posted: September 16, 2016

## NOTICE OF PUBLIC MEETING

Wednesday, September 28, 2016 - 10:30 a.m.

Thursday, September 29, 2016 – 8:30 a.m.

The Marina del Rey Hotel

13534 Bali Way

Marina del Rey, CA 90292

Meeting Room: Regatta Room

## AGENDA

1. Call to order, roll call, and establish quorum
2. Chair's Comments
  - Welcome/Introductions
  - Rules of Debate
3. Board vote regarding waiver of bylaw attendance requirement
4. Approval of minutes from June 23, 2016
5. Elections of officers
6. Legislative update and review of amendments
7. Closed session with CAMTC legal counsel pursuant to California Government Code section 11126(e) – schools; lawsuits
8. Massage schools' presentations
9. Closed Session with CAMTC legal counsel pursuant to California Government Code section 11126(e) - schools; lawsuits
10. Audit committee report
11. Board members' contact with the Audit Firm, Legal Counsel, Management Firm, and Other Third Party Vendors - proposed new policy
12. Selection of Legislator of the Year Award recipient
13. Chief Executive Officer's report
  - Sunset review and AB 2194 (Salas)

- Local government and law enforcement assistance
- Feasibility study
- New database system
- Operational and financial update

14. Public comments regarding issues not in this agenda/suggested agenda items for future meetings

15. Director of Governmental Affairs and Special Projects' report

- Local Government Implementation of AB1147
- Sunset review
- Human Trafficking
- Feasibility Study
- Database Development and implementation update
- New website update

16. Treasurer's report

- Applications Received
- Financial Statements
- Conclusions
- Comments/Discussion on Financial Reports

17. Director of PSD's report

- Interaction with law enforcement agencies
- Training
- Media

18. Director of ESD's report

- ESD database CAMTC Approved Schools Officially Launches
- School Statuses
- CAMS Database Implementation

19. Bagley-Keene Open Meeting Act - Board training

20. Feasibility study update and public input

21. Mission statement – update

22. 2017 strategic priorities

23. Advisory committees

24. Closed Session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a)

25. Return to open session and announce action taken in closed session, if any, under item 24

26. Federation of State Massage Therapy Boards (FSMTB) presentation

27. Outreach and communication with Schools and Certificate holders
28. Schedule of Authority - review
29. Items/suggestions from Board members for future meeting agendas
30. Adjourn

*All agenda items are subject to discussion and possible action.* All interested parties are invited to attend the meeting. Time will be allowed for members of the public to make comments on each agenda item (up to 2 minutes). To make a request for more information, to submit comments to the Board, or to make a request regarding a disability-related modification or accommodations for the meeting, please contact Sheryl LaFlamme at (916) 669-5336 or One Capitol Mall, Suite 800 Sacramento CA 95814 or via email at [camtc@amgroup.us](mailto:camtc@amgroup.us). Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. This notice and agenda is available on the Internet at <http://www.camtc.org>



## Summary of Changes to CAMTC's Statute

On September 22, 2016, California Assembly Bill AB 2194 was signed into law by Governor Jerry Brown. The revisions to the Massage Therapy Act ("Act") and Government Code section 51034 will become operative on January 1, 2017. The bill made some technical edits, provided much needed clean up after the sweeping changes made by AB 1147, extended the Act for another four years, made some clarifying changes to CAMTC's denial and disciplinary provisions, and made some other more substantive changes.

### **Changes Applicable to Local Regulation of Massage Businesses**

- One of the more significant changes made to the Act (Business and Professions Code sections 4600 et. seq.) is the change of current section 4600.5(c) from intent language to its placement in 4603.1 as directive language. The current statute states that it is the intent of the Legislature that local governments impose and enforce only reasonable and necessary fees and regulations. The new version of the law, Business and Professions Code section 4603.1, now provides:

Local governments shall impose and enforce only reasonable and necessary fees and regulations on massage businesses and massage establishments, in keeping with the requirements of existing law and being mindful of the need to protect legitimate business owners and massage professionals, particularly sole providers.

- Changes were also made to the intent language in Business and Professions Code section 4600.5(b), where the legislature showed their strong support of revocable registrations by adding the following language:
  - "Local governments should give strong consideration to establishing a registration program that grants local governments the ability to either suspend or revoke a registration of massage business for specific violations."
- Changes were also made to Government Code section 51034. This section was partially renumbered and the following provisions were added:

- Local governments can't require a massage business or establishment to have a shower or a bath; and
- While the law already provides that local governments can't require a CAMTC certificate holder to pass a background check, this provision has been clarified to state that this includes a criminal background check or submission of fingerprints for a state or federal background check.

### **Changes Applicable to Procedures for Denial and Discipline**

- The procedures related to denials and discipline have been clarified in the following ways:
  - Provision that allows a certificate holder to request a hearing on a suspension based on evidence has been clarified to state that the hearing is an "oral hearing or consideration of a written statement." This makes it clear that "hearing" doesn't mean an in person hearing;
  - Written statements and declarations signed under penalty of perjury can currently be used to "determine the basis" of the denial or discipline. This provision has been clarified to state that this includes using those statements and declarations to make a final decision on denial or discipline;
  - The procedures set forth in CAMTC's law are deemed to meet the requirements for fair procedure;
  - Final decisions to deny or impose discipline are specifically authorized to be made based solely on written statements or declarations made under penalty of perjury, and those providing the statements or declarations can't be required to appear at an oral hearing or provide additional documents; and
  - It has been clarified that certification is not a fundamental vested right, and the legal standard on review has been defined as the substantial evidence test.
- Lawsuits against CAMTC related to individual certification denials or discipline must now be brought within 90 days.

### **Technical Changes**

- The law was changed to state (as it previously did before AB 1147) that all education be from "approved schools" instead of "schools approved by the council," so that the law again requires approval by BPPE or one of the other organizations listed in Business and Professions Code section 4601.

- The provision stating that owners and operators of massage businesses or establishments are responsible for the conduct of all those providing massage for compensation on the premises of their business has been clarified to state that this includes applicants as well as certificate holders.
- The law again requires (as it previously did before AB 1147) that when a certificate holder is suspended based on an arrest with charges filed for 647(b) or another act punishable as a sexually related crime, that their employer of record be notified of the suspension by mail (current statute only specifies notification by email).
- The deadline to submit the feasibility study has been extended until January 1 of 2017.
- The Act has been extended for a four year time period.



Financial Statements and  
Independent Auditor's Report

For the Year Ended December 31, 2015

California Massage Therapy Council

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December 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
California Massage Therapy Council  
Sacramento, California

We have audited the accompanying financial statements of the California Massage Therapy Council, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Massage Therapy Council as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Damore, Hamric & Schneider Inc*

DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

July 28, 2016

California Massage Therapy Council

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 905,709
Certificates of Deposit	1,988,825
Prepaid Expenses	<u>33,975</u>

Total Current Assets \$ 2,928,509

Noncurrent Assets:

Certificate of Deposits	504,064
Software in Progress	62,130
Fixed Assets, Net of Accumulated Amortization and Depreciation	<u>5,004</u>

Total Assets \$ 3,499,707

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 81,434
Accrued Vacation	28,644
Accrued PTO	35,130
Deferred Certification Fees - Current Portion	<u>821,169</u>

Total Current Liabilities \$ 966,377

Noncurrent Liabilities:

Deferred Certification Fees - Noncurrent Portion	<u>148,642</u>
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Total Liabilities \$ 1,115,019

Net Assets:

Board Designated Net Assets	\$ 86,935
Unrestricted Net Assets	<u>2,297,753</u>

Total Net Assets 2,384,688

Total Liabilities and Net Assets \$ 3,499,707

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2015

Support and Revenue:

Applications Received	\$ 385,614
Certificates Issued	359,190
Renewals - Applied	1,225,923
Renewals - Approved	1,165,626
Schools - Applied	28,305
Current Year Deferrals Recognized in 2015	140,867
Prior Year Deferrals Recognized in 2015	575,498
Denied Applications	31,705
Hearing Fees, Late Fees, Purged/Revoked Applications	216,660
Background Check Fees	18,696
Employment Opportunities	22,052
Miscellaneous Fees	94,580
Interest Income	<u>16,917</u>
 Total Support and Revenue	 <u>\$ 4,281,633</u>

Expenses:

Outreach and Marketing	\$ 41,367
Board of Directors and Committees	50,689
Professional Standards Division	1,585,340
Professional Services	1,137,870
General and Administrative	373,241
Executive Staff	496,757
Educational Standards Division	<u>215,976</u>
 Total Expenses	 <u>\$ 3,901,240</u>

Change in Net Assets	\$ 380,393
Net Assets, Beginning of Year	<u>2,004,295</u>
Net Assets, End of Year	<u><u>\$ 2,384,688</u></u>

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

	Outreach and Marketing	Board of Directors and Committees	Professional Standards Division	Professional Services	General and Administrative	Executive Staff	Educational Standards Division	Total
Salaries	\$	\$	\$ 958,761	\$	\$	\$ 320,876	\$ 158,180	\$ 1,437,817
Employee Benefits			80,963			86,192	12,478	179,633
Payroll Taxes			80,438			26,913	13,281	120,632
	<u>\$</u>	<u>\$</u>	<u>\$ 1,120,162</u>	<u>\$</u>	<u>\$</u>	<u>\$ 433,981</u>	<u>\$ 183,939</u>	<u>\$ 1,738,082</u>
Communications and Promotions	\$ 13,818	\$	\$	\$	\$	\$	\$	\$ 13,818
Public Relations	27,549							27,549
Facility and Banquet		29,276						29,276
Travel Expenses		20,031	23,734		3,390	25,970	18,734	91,859
Conference Calls			7,072				118	7,190
Printing and Reproduction		90			19,496			19,586
Records Scanning					352			352
Office Supplies			2,947		5,535	213	287	8,982
Office Furniture/Equipment					2,316	565		2,881
Office Rental					44,440	23,930		68,370
Telephone and Fax					650	3,692		4,342
Postage/Mailing		239			19,157			19,396
Insurance					36,869			36,869
Banking/Credit Card Fees					66,247			66,247
Filing Fees					530			530
On Site Storage					2,188			2,188
Off Site Storage					1,096			1,096
Certification Materials and Shipping					101,642			101,642
Dues/Subscriptions/Licenses			40		10,450	656		11,146
Accounting/Tax/Audit				9,761				9,761
Database Development					26,336			26,336
Database Maintenance					22,320			22,320
Cellular Phones			20,396			1,552	1,668	23,616
Staff Meetings			78					78
Court Record Fees			642					642
Denial Mailings/Supplies			7,589					7,589
Application Processing				1,035,996				1,035,996
Legal - In House Dues			430					430
Legal Service - Denials			376,240					376,240
Legal Fees - General				92,113				92,113
School Background Checks							8,246	8,246
Payroll Services			4,802			1,607	793	7,202
Workers Compensation			12,977			4,342	2,143	19,462
Miscellaneous		1,053	8,231		1,259	249	48	10,840
Total Expense Before Amortization and Depreciation	\$ 41,367	\$ 50,689	\$ 1,585,340	\$ 1,137,870	\$ 364,273	\$ 496,757	\$ 215,976	\$ 3,892,272
Amortization					767			767
Depreciation					8,201			8,201
Total Expenses	<u>\$ 41,367</u>	<u>\$ 50,689</u>	<u>\$ 1,585,340</u>	<u>\$ 1,137,870</u>	<u>\$ 373,241</u>	<u>\$ 496,757</u>	<u>\$ 215,976</u>	<u>\$ 3,901,240</u>

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

Cash Flows from Operating Activities:

Change in Net Assets	\$ 380,393
Adjustments to Reconcile Net Cash Provided by Operating Activities:	
Amortization and Depreciation	8,968
(Increase) Decrease in:	
Prepaid Expenses	314
Increase (Decrease) in:	
Accounts Payable	( 6,103)
Accrued Vacation	11,815
Accrued PTO	14,751
Deferred Certification Fees	<u>( 139,214)</u>
Cash Provided by Operating Activities	<u>\$ 270,924</u>

Cash Flows from Investing Activities:

Purchase of Certificates of Deposit	(\$ 1,488,825)
Maturity of Certificates of Deposit	\$ 496,632
Purchases of Fixed Assets and Software	<u>( 68,097)</u>
Cash Used by Investing Activities	<u>(\$ 1,060,290)</u>
Net Decrease in Cash and Cash Equivalents	(\$ 789,366)

Cash and Cash Equivalents, Beginning of Year	<u>1,695,075</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 905,709</u></u>
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Supplemental Information for Cash Flows:

Interest Paid in Cash	<u><u>\$ 0</u></u>
Filing Fees Paid in Cash	<u><u>\$ 530</u></u>

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The California Massage Therapy Council's (CAMTC) mission is to protect the public by certifying qualified massage professionals in California. CAMTC was authorized by an act of the California Legislature through the creation of the Massage Therapy Act, codified in California Business and Professions Code section 460, 4600 - 4621 and Government Code section 51034. CAMTC is required to:

1. Create and implement voluntary certification for the massage therapy profession that will enable consumers to easily identify credible certified massage professionals; and
2. Ensure that CAMTC certified massage professionals have completed sufficient training at approved schools.

The Council utilized the following significant accounting policies in preparing the accompanying financial statements:

- A. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- B. Financial Statement Presentation - Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:
  1. Unrestricted Net Assets - Net assets over which the Board of Directors has discretionary control and that are neither permanently restricted nor temporarily restricted by grantor-imposed stipulations. The Board has designated \$86,935 as of December 31, 2015.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. Financial Statement Presentation (Continued):

2. Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets at December 31, 2015.
3. Permanently Restricted Net Assets - This component of net assets consists of stipulations that certain assets are to be maintained permanently by the recipient. Generally, the donors of these assets permit the recipient to use all or part of the income earned on any related investments for general or specific purposes. The Council did not have permanently restricted net assets at December 31, 2015.

C. Income Taxes - CAMTC is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d(c)(1) under California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in these statements.

D. Cash and Cash Equivalents - For purposes of the statement of cash flows, the Council considers all temporary cash investments with an original maturity of three months or less to be cash equivalents.

E. Concentration of Credit Risk - CAMTC maintains cash accounts with two financial institutions. The total balance of the cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. While CAMTC may maintain cash balances which at times exceed the federally insured limits, CAMTC has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk regarding cash. At December 31, 2015 CAMTC's uninsured cash balance totaled \$144,808.

F. Software and Equipment - Software and equipment are stated at cost. The cost of the software and equipment purchased in excess of \$1,000 is capitalized. Depreciation and amortization are provided in amounts sufficient to amortize or depreciate the cost of the software and equipment over the estimated useful lives of the assets (ranging from two to five years) on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- G. Deferred Certification Fees - Deferred revenue consists of the portion of certification fees to be earned over the two-year certification period as the costs of maintaining the certificates are realized.
- H. Subsequent Events Review - Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

NOTE 2 CASH:

At December 31, 2015, cash consisted of the following:

Cash and Cash Equivalents:

Cash - Operating Accounts	\$ 405,349
Cash - Savings Account	<u>500,360</u>
	<u>\$ 905,709</u>

Current Assets:

Certificates of Deposit	\$ 1,988,825
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Noncurrent Assets:

Certificates of Deposit	<u>504,064</u>
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Total Cash	<u><u>\$ 3,398,598</u></u>
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NOTE 3 FAIR VALUE MEASUREMENTS:

CAMTC adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10 upon its inception. The ASC defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 3 FAIR VALUE MEASUREMENTS (Continued):

The Council's significant financial instruments are cash and cash equivalents and certificates of deposit. For these financial instruments, carrying values approximate fair value.

The following methods and assumptions were used by the Council in estimating fair value of its financial instruments:

1. Cash and Cash Equivalents – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.
2. Certificate of Deposits – The carrying amount reported in the statement of financial position is valued at amortized cost, which approximates fair value.

There have been no changes in the methods or assumptions in determining the fair value of financial instruments.

NOTE 4 PROPERTY AND EQUIPMENT:

The following is a summary of software and equipment, less accumulated amortization, at December 31, 2015:

Software	\$ 18,319
Equipment	<u>28,123</u>
	46,442
Accumulated Amortization and Depreciation	<u>( 41,438)</u>
	<u>\$ 5,004</u>

The Council developed software for use in its certification application process. The software was amortized over the estimated useful life. In 2015, the Council began Phase I for a new database that is estimated to be completed in July 2016. The Council has incurred \$62,130 in costs related to Phase I at December 31, 2015.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

NOTE 5 ACCRUED BENEFITS:

Management employees of the Council receive vacation benefits. Accumulated unpaid employee vacation benefits are recognized as liabilities of the Council. The amount of accumulated vacation benefits at December 31, 2015 was \$28,644.

Beginning in April 2012 all other full-time employees of the Council began receiving twelve days of paid time off (PTO) a year. Accumulated unpaid PTO benefits are recognized as liabilities of the Council. The amount of accumulated PTO at December 31, 2015 was \$35,130.

The employees do not have a vested right to accumulated sick leave. For this reason, the Council does not accrue a liability for accumulated sick leave benefits. Sick leave benefits are recorded as expenditures in the period sick leave is taken.

NOTE 6 CONTINGENCIES:

As discussed in Note 1, CAMTC was created pursuant to California Senate Bill 731 and was reauthorized pursuant to California Assembly Bill 1147 during 2014. This legislation remains in effect until January 1, 2017. Unless new legislation is enacted before January 1, 2017 to extend this date, this statute will be repealed.

NOTE 7 FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.



July 28, 2016

Board of Directors  
California Massage Therapy Council  
Sacramento, California

We have audited the financial statements of California Massage Therapy Council for the year ended December 31, 2015, and have issued our report thereon dated July 28, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 19, 2016. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by California Massage Therapy Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the determination of the amount of application fees to recognize in the year of receipt and the amount of application fees to defer over the remainder of the certification period.

The financial statement disclosures are neutral, consistent, and clear.

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Sacramento, CA 95815-4606  
Tel (916) 481-2856  
Fax (916) 488-4428  
<http://www.dhscpa.com>

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The journal entries proposed during our audit are attached to this letter.

*Disagreements with Management*

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 28, 2016.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Internal Control Communications*

We considered the California Massage Therapy Council's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control. However, during our audit we became aware of certain matters and control deficiencies that are an opportunity for strengthening internal controls and operating efficiency. We will review the status of these comments during our next audit engagement. The memorandum that accompanies this letter summarizes the resolution of the matters.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This information is intended solely for the use of the Board of Directors and management of California Massage Therapy Council and is not intended to be and should not be used by anyone other than these specified parties.



DAMORE, HAMRIC & SCHNEIDER, INC.  
Certified Public Accountants

**MANAGEMENT ADVISORY COMMENTS**

*Accrued Vacation:*

During our testing of accrued vacation, we noted one employee's accrual rate per pay period was incorrect. Additionally, we noted the employee's maximum vacation accrual was over the accrual threshold by 46 hours or \$5,138.

We recommend stopping the accrual until the employee falls below the maximum hour accrual. We also recommend that once the employee does start accruing hours again that it is at the correct rate per pay period.

**Management Response:** When payroll services switched to a new company, the accrual for vacation was not set up correctly for two employees. Since the errors were found, all accruals have been set up correctly.

*Employee Withholding Rate:*

During our testing of payroll controls, we noted that an employee's payroll withholding rate per the payroll register did not agree to the employee's W-4 on file.

We recommend the Council periodically review payroll registers to ensure they are in agreement with the employee's W-4.

**Management Response:** In 2014, an employee submitted a new W-4 with multiple changes but not all of the changes were made. All employee files have since been reviewed for completeness and all W-4's were verified with the payroll company to be accurate.

**PRIOR YEAR COMMENTS**

*Recording of Prepaid Expenses:*

During our testing of accounts payable, one sample selected was accrued for as a payable and as a prepaid expense as of December 31, 2014. The sample selected was a management fee that was related to 2015 that arrived before the end of 2014. Expenses related to future years that are not paid for in the current year should not be recorded as a prepaid or a payable at the end of the current year for financial statement purposes.

We recommended, for financial statement purposes, the Council only accrue expenses that were incurred during the calendar year.

Status: No similar issues noted during the 2015 audit.

*Timeliness of Deposits:*

The Council wrote two checks in the amount of \$250,000 each on December 19, 2014. The checks were written to the California Massage Therapy Council and were to be used to open two additional savings accounts. One savings account, at East West Bank, was opened on January 2, 2015. The other account had not been opened as of March 23, 2015.

It is prudent to move excess cash into interest-earning savings accounts, and to keep the accounts, whenever practical, from exceeding the amounts covered by FDIC. However, it is also important to safeguard checks that have been prepared, and to ensure that checks of large amounts are deposited in a timely manner for safekeeping as well as to maximize interest earnings.

We recommended depositing checks in a timely manner. When a decision is made to open new accounts, checks should not be written for the transfer until a banking institution is located. In addition, we recommend including board authorization to close or open bank accounts in the board of directors' meeting minutes.

Status: No similar issues noted during the 2015 audit.

Prepared by\_\_\_\_\_

**California Massage Therapy Council  
Adjusting Journal Entries**

CAMTC

Page 1

Reviewed by\_\_\_\_\_

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
AJE1	Adjusting	12/31/15					
		2110.000	Accounts Payable	17,589.71			
		1510.000	Prepaid Expenses		17,589.71		
			To remove prepaid expenses that were recorded in 2015 but were not paid until 2016.			0.00	
AJE2	Adjusting	12/31/15					
		1311.000	Software in Progress - Phase I	62,130.00			
		7190.000	Database Development		62,130.00		
			To capitalize software in progress - Phase 1			62,130.00	F-1.2
AJE3	Adjusting	12/31/15					
		7192.000	Amortization Expense	767.00			
		7193.000	Depreciation Expense	8,201.00			
		1320.000	Accumulated Amortization		767.00		
		1330.000	Accumulated Depreciation		8,201.00		
			Record depreciation & amortization expense as of 12/31/15.			(8,968.00)	F-1
CAJE1	Adjusting	12/31/15					
		4170.000	Denied Applications (5)	35,579.25			
		4180.000	Purged/Revoked/Susp/Apps (7)	57,426.75			
		2501.000	Deferred Fees - 2014 (III)		20,824.50		
		2502.000	Deferred Fees -2013 (I)		40,720.50		
		2506.000	Deferred Fees - 2015 (II)		31,461.00		
			Adjust denied/purged/cancelled applications			(93,006.00)	
		TOTAL		<u>181,693.71</u>	<u>181,693.71</u>	<u>(39,844.00)</u>	

## **CALIFORNIA MASSAGE THERAPY COUNCIL**

### **Policy on Board Member Contact with Professionals, Employees, and Vendors**

1. General Counsel: Board members may contact CAMTC's General Counsel at any time, with or without notifying or coordinating with the Chair or CEO.
2. Audit Firm: Board members may contact CAMTC's Audit Firm in coordination with CAMTC's CEO. Board members wishing to speak with the audit firm should contact the CEO and a mutually agreeable time for a conference call will be arranged.
3. Management Firm (AMG staff), CAMTC employees, and other third party vendors including Special Counsel: Except as described in 4. below, Board members must contact the CEO and the CEO will review and address the Board member's issue with these individuals and companies.
4. AMG Operations Manager: Board members may directly contact CAMTC's Operations Manager at AMG regarding administrative issues related to the contacting Board member such as travel arrangements, expense reimbursements, changing contact information, etc. Board members may not directly contact other AMG employees.



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

**To:** CAMTC Board of Directors  
**From:** Ahmos Netanel, Chief Executive Officer  
**Date:** September 28, 2016  
**Subject:** Legislator of the Year

Staff recommends that the Board choose Assemblymember Rudy Salas to be the recipient of the CAMTC Legislator of the Year Award for 2016. Assemblymember Salas is the Chairman of the Assembly Standing Committee on Business and Professions and the author of AB 2194. Past recipients of CAMTC's Legislator of the Year Award are:

- Senator Lou Correa
- Senator Curren Price
- Assemblymember Susan Bonilla

## Biography

Assemblymember Rudy Salas was born and raised in California's Central Valley.

Since his election to the California State Assembly in 2012, Assemblymember Salas has successfully fought for the Central Valley. In his first 3 years, he co-authored the \$7.545 billion Water Bond for safe drinking water and storage projects; saved \$4 million for ag education programs that serve FFA programs in our local schools; secured \$15 million in the state budget for job training and millions more for local schools. He has authored legislation to stabilize Kern Medical Center and bring more doctors to the Valley.

Additionally, Assemblymember Salas has kept our neighborhoods safe by leading the charge to re-open local community correctional facilities, securing \$5 million for Kings County public safety services, authoring legislation to shut down illegal gambling cafes, protect veterans from discrimination, and improve pipeline safety - to name a few.

On his path to public service, Salas held several jobs to save for college, including working in the farm and oil fields. He then graduated from UCLA with two degrees, went to work at the White House and later returned home to work at California State University, Bakersfield.

His passion for public service led him to the State Capitol where he served as legislative staff and locally as District Director. Shortly after, Salas realized his dream of representing and fighting for his community and become the first Latino to serve on the Bakersfield City Council. He now has the honor of serving in the California Legislature representing the 32nd District.

Assemblymember Salas currently serves on the following Assembly Committees: Business and Professions; Agriculture; Governmental Organization; Veterans Affairs; Chair, Regional Approaches to Addressing the State's Water Crisis; Chair, Workforce and Vocational Development in California; Member, Renewable Energy Economy in Rural CA; Member, California Workforce Investment Board.

Assemblymember Salas was elected in November 2012 to represent California's 32nd Assembly District, comprised of part of the city of Bakersfield, the cities of Arvin, Avenal, Corcoran, Delano, Hanford, Lemoore, McFarland, Shafter, Wasco and the communities of Armona, Buttonwillow, Home Garden, Kettleman City, Lamont, Lost Hills, Stratford and Weedpatch.



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

**To:** CAMTC Board of Directors

**From:** Ahmos Netanel, Chief Executive Officer

**Date:** September 28, 2016

**Subject:** CEO report

Summer has been a busy time at CAMTC. In addition to its ongoing operational responsibilities, staff has been fully engaged with several other major undertakings, which included:

## **Sunset bill**

On June 27, 2016, as part of my comments during the Senate Committee on Business, Professions and Economic Development hearing on AB 2194, I thanked Assemblymember Salas for authoring this important bill and informed the committee that we had many constructive discussions with the League of California Cities during the process. I was pleased to tell the committee that CAMTC and the League were able to get beyond the rhetoric and agree to legislation that protects the public but at the same time recognizes a viable and legitimate massage therapy profession.

Throughout the year, senior staff engaged in continuous communication with the Legislature and many other stakeholders, including professional associations, schools, local government, law enforcement, individual massage providers, massage business owners and the media. The bill includes numerous important

improvements to our law. We are especially pleased that the original sunset date for this bill of January 1, 2019 was eventually extended to January 1, 2021. The bill was signed into law and will become effective January 1, 2017.

## **Local government**

CAMTC continues to assist local governments and law enforcement in meeting their duty to maintain the highest standards of conduct and safety in massage establishments by vetting and disciplining certificate holders, and by improving communications with local government and law enforcement. We often see notes acknowledging PSD staff's assistance to law enforcement as well as the help Beverly May provides to local government officials and human trafficking organizations and taskforces. CAMTC is routinely mentioned in staff reports of municipalities throughout the state (see attached example).

We have established direct and continuous communication with the League's senior executive staff. Beverly May and I attended the Leagues' Board of Directors meeting on June 24, 2016 in Monterey. During the meeting the Leagues' Executive Director, Chris McKenzie graciously invited me to address the Board. Beverly and I felt warmly welcomed throughout the meeting. At the end of the first day, Mr. McKenzie announced that he'll retire in October, 2016. He assured me that he'll encourage his successor to continue to build on the positive relationship we have been developing. He has been a top player in state politics and is widely regarded as "a bright light for the League" for over the past 17 years by many leaders in local government. On October 6, 2016 CAMTC will present a panel discussion at the League's annual conference in Long Beach (information attached).

## **School Approvals**

CAMTC school approval is voluntary. However, beginning July 1, 2016, CAMTC only accepts education from CAMTC approved schools for the purposes of CAMTC certification. While schools were free to apply at any time, we could only

guarantee a site visit and opportunity for approval by July 1, 2016 to schools that applied by May 1, 2015. As of September 19, 2016, CAMTC's website list links to 60 schools with approved programs and 2 schools that received provisional approvals. The site also lists the names of 76 schools with pending applications.

## **Feasibility Study**

On July 12, 2016, CAMTC retained The Blue Sky Consulting Group, LLC ("Blue Sky") to prepare a feasibility study of state licensure for the massage profession as required by Business and Professions Code 4620(a). Specifically, Blue Sky will evaluate the feasibility of a licensure program. The study will assess the feasibility of adopting such a system, including an assessment of likely costs and obstacles to adoption of a licensure program and the likely benefits and effectiveness of such a system. The study will further compare the benefits and costs of a proposed licensure program with the benefits and costs of continuing the current voluntary certification program administered by the California Massage Therapy Council. The study will include a proposed scope of practice, legitimate techniques of massage, and related statutory recommendations. As part of our commitment to assure the objectivity of the study, CAMTC agreed that it would pay for the study regardless of the project's results or findings, so long as the analysis meets reasonable standards for quality, analytical rigor, and accuracy.

## **New data base system and website**

On September 14, 2016, in consultation with Beverly May, our database system development vendor, and our contract project manager, I made the decision to postpone the original October 1 implementation date of the new data base system and website. This decision was not made lightly and was made with input from CAMTC staff and our project manager. In short, we did not have 100% confidence that we would be able to implement the system on October 1 totally free of defects. The team is working diligently to correct all anomalies identified during testing and training, and I anticipate that once implemented, we will have

an impressive system in place, but it is imperative that we allow sufficient time to fully test it. The new implementation date is November 1, 2016.

The new database system as well as a newly designed CAMTC website, will position CAMTC to:

- ✓ Be more responsive to our certificate holders as well as those who apply for certification by providing a powerful online application that allows applications to be completed and submitted in minutes
- ✓ Provide local government officials and law enforcement timely and accurate information that will help them in support of their duties related to the massage profession
- ✓ Give the public easy access to verify CAMTC certification or file complaints
- ✓ Give massage therapy schools the ability to apply for approval electronically and maintain their information online
- ✓ Better support CAMTC's informational needs and allow CAMTC to manage the database system and website internally, without requiring costly programming resources

### **Limited Time Recertification**

As of July 1, 2016, CAMTC has instituted a new one-time policy for a very limited time only (until December 30, 2016), allowing past certificate holders (CMPs and CMTs) who expired on or after January 1 of 2013 to re-certify more than six months after the expiration of their certificates, with no additional education or exam required, as long as they meet some specific requirements. In addition to mailing 10,540 postcards (attached), we emailed notices on August 2, 2016 and September 10, 2016. As of September 16, 2016 we have received 331 applications under this program, generating \$91,025 in unbudgeted additional revenues.

## **Outreach and communication**

After receiving valuable input from the Board we have made some changes to CAMTC's anti-human trafficking brochure (attached) and we are gearing up to commence its distribution in October 2016.

After reviewing the last three months of news clips, we have identified and aggregated the news stories into two different topic areas. There were eleven stories pertaining to cities addressing massage ordinances and illicit activity, and five stories of accused sexual misconduct.

## **Applications turnaround time**

During July 2016 the average number of days from complete application and all documents received to be approved for applicants with no background or education issues was 23 calendar days.

The average number of days from completes application and all documents received to be approved for applicants with background or education issues was 61 calendar days.

## **Finance**

As of June 30, 2016, CAMTC exceeded expectations on the balance sheet and the statement of functional activity.

Cash in the bank:

Budgeted - \$3,045,884

Actual - \$3,658,617

Excess revenue over expenses:

Budgeted - \$366,827

Actual - \$427,268

Out of the budgeted \$413,156 for the Board's Priority Projects (not funded from 2016 operations) through June 2016, CAMTC spent \$223,156.

As of September 20, 2016 total cash position was \$3,814,909 deposited in 14 different banks.

## MEMORANDUM



**DATE:** September 19, 2016

**TO:** Honorable Mayor and Council Members

**FROM:** Adam U. Lindgren, City Attorney

**SUBJECT: ORDINANCE NO. 11-2016 REPEALING AND REPLACING CHAPTER 4.33 OF TITLE 4 OF THE RANCHO CORDOVA MUNICIPAL CODE TO ESTABLISH NEW REGULATIONS REGARDING MASSAGE AND MASSAGE BUSINESSES AND REPEALING ORDINANCE NUMBER 9-2009.**

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### **RECOMMENDATION**

Consider and discuss Ordinance No. 11-2016, and make motion to introduce and waive first reading of Ordinance No. 11-2016.

### **RESULT OF RECOMMENDED ACTION**

Completion of first reading of Ordinance No. 11-2016. A second reading and adoption of the Ordinance would take place in October. The Ordinance would become effective thirty days after adoption of the Ordinance.

### **BACKGROUND**

On January 1, 2015, Assembly Bill ("AB") 1147 became effective which significantly changed various sections of the California Business and Professions Code relating to massage and massage establishments. AB 1147 was meant to, among other things, enable consumers and local governments to more easily identify certified massage professionals and provide for the consistent statewide certification and oversight of massage professionals. **Through AB 1147, the California Massage Therapy Council ("CAMTC") is able to provide assistance to local governments and law enforcement by vetting and disciplining certificate holders.**

AB 1147 was also intended to allow local government broad control over land use for the purpose of managing massage establishments in their communities. However, the requirements and practice of the profession of massage therapy still remains a matter of statewide concern, regulation, and oversight. Therefore, local governments can impose and enforce only "reasonable and necessary fees and regulations."

### ***Development of the Ordinance***

The City of Rancho Cordova currently has seven (7) businesses licensed as massage establishments. A revision to the current Rancho Cordova Municipal Code would streamline licensing and code enforcement.

City Staff hosted a presentation provided by CAMTC on March 24, 2016 to learn more about the CAMTC certification process and the assistance that CAMTC offers to local governments relating to enforcement of violations by certificate holders. At that presentation, Staff was able to learn about all of the research and analysis that CAMTC does to ensure that massage schools are legitimate and the educational and testing requirements that CAMTC certificate holders must undergo is sufficient to educate a massage therapist.

Staff also met with members of the massage community on August 24, 2016 to discuss the proposed Ordinance. At that meeting, massage establishment owners and massage therapists discussed their concerns and the proposed Ordinance. The massage community provided valuable input on the Ordinance.

### ***The Proposed Ordinance***

The proposed Ordinance requires, subject to some exceptions, that all massage therapists who conduct massage in the City of Rancho Cordova be certified by CAMTC. All massage businesses, including independent contractors, must obtain a City General and/or Special Business License and the CAMTC certificates must be presented to obtain or renew that Business License.

The proposed Ordinance requires all massage businesses and/or establishment owners, operators, employees, sole proprietors, and independent contractors and any person performing massage within the City to comply with a variety of health and safety requirements. Those requirements include, but are not limited to, clean towels and linens, sanitary equipment and instruments, and clean toilet rooms, showers, and baths. The draft Ordinance also provides operating requirements that require, among other things, that a massage establishment can only operate between the hours of 8:00 a.m. and 10:00 p.m., a CAMTC certificate must be displayed in the reception area, and the massage establishment must meet and be maintained in a condition that complies with all applicable building code requirements of the City. One important addition to the Ordinance, which targets human trafficking, is the prohibition of any person residing in the massage establishment or in any attached structures owned, leased or controlled by the massage establishment owners.

Finally, the proposed Ordinance provides a variety of enforcement methods, including civil and criminal remedies. The proposed Ordinance specifies that any violation of Ordinance No. 11-2016, shall constitute a misdemeanor, and at the discretion of the City Attorney, may be prosecuted through criminal, civil or administrative actions.

### **FISCAL IMPACT**

None.

### **ATTACHMENT**

Proposed Ordinance No. 11-2016

2708736.1

## League of California Cities

### Annual-Conference-Expo

#### Massage Establishments - Challenges and Solutions

2:45 - 4:00 p.m.

Hear how cities and the California Massage Therapy Council (CAMTC) can work together to protect the public and stop the hijacking of the legitimate therapeutic profession of massage by criminal enterprises. Focus will be on best practices engaged by cities respecting both legitimate businesses without being overly burdensome and allow for quick action against illicit massage establishments. Topics include local Revocable Registrations for massage establishments and information sharing with and from CAMTC.

**Presiding:** Beverly May, Director of Governmental Affairs, California Massage Therapy Council

**Speakers:** Mike Callagy, Assistant County Manager, San Mateo | Shana Faber, Assistant City Attorney, Vacaville | Lamonte Mack, Senior Code Enforcement Officer, CSG Consultants, Inc | Rick McElroy, Director, Professionals Standards Division, CAMTC

# EXPIRED CERTIFICATE HOLDERS YOU CAN STILL RECERTIFY!



No additional education  
or exam required!

Please see reverse side  
for more information on  
this limited time program.





One Capitol Mall, Suite 800  
Sacramento, CA 95814  
P: 916-669-5336  
F: 916-444-7462

On July 1, 2016, CAMTC instituted a new one-time policy for a very limited time only (until December 30, 2016), allowing past certificate holders (CMPs and CMTs) who expired on or after January 1 of 2013 to apply for recertification more than six months after the expiration of their certificates, as long as they meet all of the following requirements:

1. Applicant was certified by CAMTC as a CMP or a CMT and had a certificate that expired on or after January 1, 2013, certificate has been expired for six months or more, and the certificate was in good standing when it expired (not suspended, revoked, nullified, or application denied).
2. The Application for Limited Recertification and all of the following must be RECEIVED by or before December 30, 2016 at 11:59 p.m. (PST) (a postmark date will not suffice):
  - A completely filled out, dated, and signed Limited Application for Recertification and all supporting documents;
  - All fees, including but not limited to the \$150 application fee and a late fee of \$125, have been paid; and
  - A new Livescan must be performed and submitted.

Please go to [https://www.camtc.org/limited\\_time\\_recertification.aspx](https://www.camtc.org/limited_time_recertification.aspx) for more information on this limited time program.

FIRST CLASS  
U.S. POSTAGE  
**PAID**  
Sacramento, CA  
Permit #1517

## What Exactly Is Human Trafficking?

**H**uman trafficking involves both labor and sex, and is defined as the following:

- Labor trafficking is defined by the California Penal Code as the “recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of...involuntary servitude, peonage, debt bondage, or slavery.”

- Sex trafficking is defined under federal law as a commercial sex act induced by force, fraud, or coercion, or in which the person induced is under 18 years of age.

- According to Polaris Project, there are an estimated 6,000-9,000 brothels in the U.S. that are disguised as massage parlors. This provides a form of cover, allowing for a criminal enterprise to operate lawfully while harming victims and communities. Some of these may involve human trafficking.

You may play a vital role in helping to stop this tragic condition that affects so many, some under the guise of massage.



## Additional Organizations In The Forefront Of Fighting Human Trafficking

CAMTC is not alone in the fight against human trafficking. The organizations below are focused on ending this global dilemma that is truly a nightmare for all its victims.

### Polaris Project

[polarisproject.org](http://polarisproject.org)

### Journey Out

Formerly The Mary Magdalene Project

[journeyout.org](http://journeyout.org)

### San Francisco Collaborative Against Human Trafficking

[www.sfcaht.org/index.html](http://www.sfcaht.org/index.html)

### CAST

Coalition To Abolish Slavery & Trafficking

[www.castla.org](http://www.castla.org)



One Capitol Mall, Suite 800  
Sacramento, CA 95814  
Phone: (916) 669-5336  
Email: [info@camtc.org](mailto:info@camtc.org)

# HELP COMBAT HUMAN TRAFFICKING IN CALIFORNIA



# Know The Signs

## Persons May Be Trafficked If They:

- Cannot leave their work environment or cannot quit to find another job
- Do not have control over their wages, money, or finances
- Show signs of physical abuse or injury
- Are accompanied everywhere by someone who speaks for them or allow others to speak for them when addressed directly
- Owe money to an employer or another person whom they feel bound to repay
- Moves or changes jobs suddenly and often
- Are not working in the job originally promised to them
- Lack identification, passport or other travel documents or don't have control over their documentation
- Provide sexual services in a strip club, massage parlor, brothel or other locations and have a manager or pimp
- Live illegally in the massage establishment
- Have restricted freedom of movement
- Are a juvenile engaged in a commercial sex act
- Are forced to work under deplorable conditions
- Work excessively long hours

# Trafficked Persons

## May Be Reluctant To Report Or Seek Services Because They:

- Do not know or understand that they are being exploited, or “trafficked”
- Are threatened that if they tell anyone, they or their families will be hurt
- Are unfamiliar with their surroundings and do not know whom to trust
- Do not know help exists, how to access it, or where to go for it
- Are unfamiliar with the laws, cultures, and languages of the destination location or country
- Fear retribution and forcible removal or deportation
- Fear law enforcement and other authorities
- Are in debt to their traffickers
- Are sending much needed money back ‘home’ and worry about not being able to do this.

**STOP**  
  
**HUMAN**  
**TRAFFICKING**

**If you believe someone may be a potential victim, please call the National Human Trafficking Resource Center Hotline at 1-888-373-7888 or the Coalition to Abolish Slavery and Trafficking at 1-888-539-2373 to access help and services.**





**CALIFORNIA**  
MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 320 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.444.7462 www.camtc.org

**Memo: To CAMTC Board of Directors**  
**From: Beverly May, Director of Governmental Affairs and Special Projects**

**RE: Report for Board Meeting September 28-29, 2016**

- Local Government Implementation of AB1147
- Sunset review
- Human Trafficking
- Database Development and implementation update
- New website update

My activity in regards to local government regulation of massage and implementation of the law is three pronged.

On one hand, I monitor drafts and final ordinances, both new and amending existing massage and zoning codes. In the eight and a half months so far of this year I have reviewed drafts for 53 new or amended massage or zoning codes introduced to cities or counties. Quite a few more ordinances were drafted or amended in 2015 in response to changes in the state law made by AB 1147.

On the other hand, I hear from certificate holders and others daily regarding issues they are having with local requirements. Quite often, they simply don't understand what the city or county is asking for and what is within local authority. Other times massage professionals report serious burdens being placed on them and their businesses. A few of these, such as required showers and livescans of certified owners, should be addressed by AB 2194, the 2016 Sunset bill.

Some of the most egregious examples include a sole proprietor who may have to close his business after 20 years of legal operation due to over \$20,000 in new fees, and a woman with a home occupation permit for 23 years whose home is no longer zoned for massage and who faces a choice of retiring early, moving from the home she has lived in all those years or working off the radar. Having never worked in violation of her city's laws she does not plan to do so now.

The third aspect of my engagement with local government regulations is in almost daily contacts with city staff – law enforcement, city attorneys, planners, finance and code enforcement. These interactions include sharing information on

how they and other cities are addressing similar issues to hearing about the limited resources and challenges that they face in enforcement. As we all know, city resources are limited given multiple priorities. Even the best of ordinances with the simplest means of closing illicit establishments takes diligent work on the part of the city or county to obtain adequate evidence. If the owner is certified, it may be easier to revoke a massage registration or establishment permit, as CAMTC doesn't need a criminal conviction. But with an uncertified owner, the bar that the city needs to overcome to close a problem establishment is often higher and more costly. This year I have had calls, emails and meetings with law enforcement, city attorneys, finance or planners from 52 cities and counties. Others contact me regarding disciplinary issues, although most of these go directly to the Professional Standards Division (PSD).

These discussions, as well as reading staff reports and codes, have provided me with a good overview of the challenges facing local governments. I have a group of city and county staff from throughout the state who I communicate with regularly to keep apprised of the changing body of knowledge and approaches to solving these problems. Many of these contacts I have been in touch with since 2008 and earlier.

There are still an estimated 170 cities or counties that have passed ordinances that require certification, and others that have ceased issuing police permits and by policy require certification.

- **Human Trafficking**

As I have mentioned in past reports, I participate regularly in numerous Human Trafficking Taskforces. As before, no one seems to have reliably accurate data. San Francisco has renamed the Commercial Sexual Massage Parlor Taskforce to the Labor Trafficking Taskforce to reflect an expanded focus. Some counties, such as Alameda, are trying to reduce demand for commercial sex, whether trafficking is involved or not. Although indicators are often present, police report that many joint operations with Homeland Security, translators, and NGO advocacy groups are unable to establish trafficking in massage.

### **Sunset review**

AB 2194, CAMTCs Sunset bill, is expected to be signed by the Governor and become law January 2017. It extends the sunset another four years and makes a number of other changes. I expect to be working closely with cities on implementing the law as it affects some current municipal and county codes.

## **Project Status—Database and Certification Management System Modernization Project**

Work continues on the testing and implementation of a new CAMTC database system within the larger Certification and Application Management System (CAMS) as well as a redesign of our website.

Certificate Holders, Applicants, the public, government personnel, schools as well as CAMTC staff, all access our system and resources through our website.

Our current website is seven years old – ancient in today’s world. While we keep the information current, we have developed a more modern website that improves the user experience for all. The look, feel and navigation of the new website are modeled after Google’s site. In addition to this uncluttered and well organized look, CAMTC manages all content, allowing us to quickly adapt to whatever changes are needed. We are committed to making information both accurate and easy to find and understand for all visitors.

The redesigned website for CAMTC is now scheduled for implementation at the same time as Go Live for CAMS. The ability for CAMTC to fully manage the newly redesigned website allows for smooth deployment of CAMS functionality and revisions of content. From CAMTC’s home page, users navigate to their own section by clicking on an easily identified icon and can log into CAMS as desired. For example, a massage professional applying for certification will create a new record in the database with the online application. The same is true for a massage school applying for CAMTC approval. Certificate Holders and Approved Schools will update their existing information maintained in the database, thus saving time for both them and staff.

Unlike our old system where all applications are submitted by mail and manually entered by our staff, we have designed the new system for, and expect most new applications to be, submitted online. We anticipate applicant’s questions and time lost with back and forth communications related to an application will be significantly reduced as this will now be automatically generated by the system wherever possible.

CAMS utilizes a normalized, relational database, meaning that redundant information is eliminated and added, changed or deleted information anywhere in the system will instantly update any related sections of information in the system. In addition, CAMS includes automatic alerts that are triggered when requests for additional or missing information have not been responded within a specified time period, thereby eliminating chances of things “falling through the cracks”.

Local government officials and staff have different levels of access to information in CAMS based on rules that we set. For example, CAMTC staff has access to detailed information about an applicant or certificate holder, where law enforcement or other government officials do not. Search functions for government officials are much

faster and more flexible than previously possible, as is the ability for Massage Business owners and the Public's ability to verify certification. Authorized law enforcement will be able to easily view, and automatically receive more information that will help them administer their local ordinances.

The Professional and Educational Standards Divisions (PSD and ESD) as well as Legal have their own access to CAMS. They manage their own information and communication within the system. They also have the ability to generate stored reports as well as ad hoc reports.

Applicants, certificate holders, government officials, PSD, ESD, AMG, Legal, the CEO and the bookkeeper all have dashboards specifically designed to meet their unique needs.

Banking industry standards for encryption, communication and system access have been implemented throughout CAMS. These state of the art controls manage who can access and change data as well as maintain logs of who accesses what and when in CAMS.

This year, legal and PSD staff spent countless hours developing and verifying reports due June 1st to the legislature as mandated in AB 1147. Going forward such information will be immediately available under the new system. Our new system addresses a number of law enforcement and forensic investigators needs for information. Previously they have spent hundreds of hours painstakingly gathering CAMTC data used in the identification of criminal networks, with CAMTC managing very tediously to assist them with the limited tools in our current system.

The development of both the redesigned CAMTC website, as well as the CAMTC Modernization Project for CAMS, is complete. Work continues to:

- Thoroughly test and eliminate bugs found in CAMS
- Parallel test the same data through the current system and CAMS to verify outcomes
- Train staff on the maintenance and use of CAMS
- Develop training videos on the use of CAMS for applicants, certificate holders, local government and CAMTC staff

We recently postponed the scheduled October 1 Go Live because:

- In August, due to the complex nature of these projects, the development vendor failed to meet a delivery date for a software component and was unable to make up the lost time in September
- Within 2 weeks of Go Live, we still have open bugs in the system that have not been addressed
- In consultation with CAMTC Executive, the Project Manager advised against Go Live just for the sake of meeting an arbitrary date for implementation

At this time, CAMTC Executives, staff, Project Manager and development vendor remain committed to delivering a bug-free CAMS before the next scheduled CAMTC Board Meeting in November.

**Project Status—Website Redesign Project**

The Website Redesign Project is ready for Go Live. At the present time, the system is fully functional in a UAT (User Acceptance Testing) area awaiting deployment. CAMTC staff have been using a content management tool to test updates to the site while in UAT. Staff is now fully trained and confident in their ability to manage this site as we go forward into production.

At the time of Go Live, all connections to CAMS database and applications in the UAT will be redirected to the Production area and tested for complete and accurate functionality before the new website is deployed into production. CAMTC will keep the UAT to manage and test future updates to the website before promoting those changes into the production environment.

## Treasurer's Report through June 30, 2016 Board Meeting: September 28 & 29, 2016

### Applications Received and Re-Certifications Billed

#### New Applications and Re-Certifications

Through June 30, 2016 CAMTC has received 82,198 New Paid Applications since the start of operations on July 27, 2009. However, only 2,757 (or 3.4%) were been obtained thus far in 2016. This number is a little above the 2,075 (or 2.7%) received during the comparable year-ago period.

As of June 30, 2016 there are 49,827 active certificate holders, down from the 51,905 at the end of June, 2015 and similar to the 49,997 at the end of 2014.

The recertification process began in July, 2011. The modest level of New Applications was accompanied by a substantial gain in Re-Certifications billed. The total of the two measures is up substantially from the comparable period last year.

Year	New Applications Received Per Week	Re-Certifications Billed Per Week	Total
2016 *	110	546	656
2015*	83	504	587
2015	80	409	489
2014	244	451	696
2013	219	248	467
2012	207	296	503
2011	264	54	318
2010	259	0	259
*Through June 30			

YTD figures relative to **budget** are also available. Through June 30, 2016:

- Revenue from Applications Received exceeded the budget by 57%; however Certificates Issued was below budget by 8%. That Certificates Issued has not kept pace with Applications received appears to be an on-going concern; there appears to be a barrier to timely processing of these applications.
- Renewals exceeded budget. Both Renewals Applied and Renewals Approved exceeded the budget amount by 21%.

CAMTC now has a substantial history on the percent of the Renewals billed that are paid. Through 2015 there has been a fairly consistent pattern; a little over three-quarters of those who are billed renew their certification. It was hypothesized that this figure may be a reasonable approximation of the churn in the industry; roughly 20%-25% of therapists who have been certified are no longer active or no longer practice in California every 24 months.

However, in 2016, a quite different pattern emerged. Through June, 2016, Paid Re-Certifications were 82% of Billed Re-Certifications. This high level is atypical and will most likely to return to lower levels in the future. It is explained by the fact that many therapists who did not re-certify because they neglected to take advantage of a grandfather clause that allowed them to re-certify with only 250 hours instead of having to meet the newly required 500 hours of approved education. However, a change in Board policy was recently adopted allowing those who missed the deadline to take advantage of the 250 hour grandfather clause. This resulted in a short term spurt in Re-Certifications.

<b>Year</b>	<b>Renewals Billed</b>	<b>Renewals Paid</b>	<b>% Billed That Are Paid</b>
2012	15368	11687	76%
2013	12913	9871	76%
2014	23484	18618	79%
2015	21309	16136	76%
2015*	9946	6914	70%
2016*	13646	11176	82%
*Through June 30			

## The “Bottom Line”: How Many Certificate Holders Are There

The above data provide some indication of the amount of activity during the period and the distribution of that activity between New Applications and Re-Certifications. However, the most important measure is the total number of certificate holders and whether growth in that number is keeping pace with industry development.

As of June 30, 2016 there were 49,827 active certificate holders, down from the 51,905 at the end of June, 2015.

The following table shows the number of certificate holders at various points in time beginning in 2012:

<b>DATE</b>	<b>NUMBER OF CERTIFICATE HOLDERS</b>
June 30, 2016	49,827
December 31, 2015	51,499
June 30, 2015	51,905
December 31, 2014	49,997
March 28, 2014	45,228
April 27, 2013	38,825
December 31, 2012	35,214
June 9, 2012	31,595

The clear pattern of growth stopped sometime in 2015. While the reasons for that are not known, among the possibilities are these:

- The market for massage and, as a result, the number of therapists has leveled. This does not seem to be a likely explanation.
- The requirement went into effect 2015, that 500 hours of approved schooling for certification is required could be a factor. The data presented above suggests that the decline in New Applications (rather than Re-Certifications) is accounting for absence of growth in certificate holders...
- The CAMTC may not be getting its message out to therapists. The dollars spent on Outreach Marketing have been below budget for several years.

## Financial Statements

### Statement of Functional Activities (Income Statement)

#### Overview

The revenue allocation procedure recognizes 37% of the \$150 initial application when the application is received, 39% when the certificate is issued and the balance, 24%, over 24 months. Renewals recognize 46% when received, 42% when approved and the balance over 24 months.

Revenues for the year through June 30 exceeded the budgeted amount by 12%, while expenses (including priority projects) were 13% below budget. The net effect is that revenues exceed expenses by \$204,110, compared to a budgeted loss of \$352,714.

Compared to the comparable period last year, revenues were up, but so were expenses. The result is that the, in terms of dollars, excesses of revenues over expenses this year and last were similar:

- For fiscal 2016 through June 30, revenues were up 10% over last year. The main driver of the increase was Renewals, both Applied and Approved. Applications Received and Issued were down substantially.
- Expenses (including Priority Projects) were up 10%, with “Priority Projects” being the main contributor...
- The excess of Revenue over Expenses in 2016, at \$204,110, was moderately above the \$186,406 achieved through June 2015.

#### **SUMMARY OF FUNCTIONAL ACTIVITIES Through June 30**

	2016	2015	% Change in 2016
Total Revenue	\$2,307,883	\$2,100,323	9.9%
Total Expenses	\$2,103,773	\$1,913,917	9.9%
Net Revenue	\$204,110	\$186,406	9.5%

The following sections discuss the figures relative to budget, since the budget figures are the standards set by CAMTC. However, it might be kept in mind that those figures are judgments and the *actual* dollars and their trends over time also reflect performance.

#### Revenue Overview Relative to Budget

Most of the major revenue sources exceeded the budget, with overall revenues surpassing the budgeted amount by 9%.

Renewals, Applied and Approved, accounted for approximately two-thirds, 66%, of revenues. Applications Received and Certificates Issued accounted for 12%, and Current and Prior Year Deferrals accounted for 14%. These figures reinforce the obvious: Renewals will continue to be of growing importance; however, the apparent weak performance (previously discussed) in obtaining new applications suggests that the potential for initial applications is not being fully achieved.

#### **Revenue Through June 30, 2016**

<b>Source</b>	<b>Revenue</b>	<b>% of Total Revenue</b>	<b>Actual as a % of Budget</b>
Renewals - Applied	\$777,630	34%	121%
Renewals - Approved	\$741,195	32%	121%
Prior Year Deferrals	\$295,590	13%	95%
Applications Received	\$182,928	8%	157%
Certificates Issued	\$99,801	4%	92%
Recertification Late Fees	\$77,095	3%	103%
Misc. Fees	\$49,973	2%	116%
Current Year Deferrals	\$32,919	1%	122%
Interest	\$12,494	1%	149%
Denied Applications	\$12,006	1%	40%
Hearing Fees	\$10,765	0%	57%
Other School Fees	\$8,182	0%	91%
New School Applications	\$4,440	0%	200%
Purged/Revoked Applications	\$2,866	0%	9%
Schools Approved			0%
		0%	
<b>Total</b>	<b>\$2,307,883</b>	<b>100%</b>	<b>109%</b>

Performance Relative to Budget by Major Expense Categories.

Expenses were 8%% below budget

Listed below are the major expense categories, in the order shown on the Statement of Functional Activities and the variance from the budget for 2016 -through June 30... In no category did actual exceed budget.

Two categories, Professional Standards and Professional Services, together account for 62% of all expenses:

One area which has been consistently substantially below budget is Outreach Marketing. Given what appears to be the low level of New Applications, additional programs to get CAMT's message to new therapists might be considered. Year-to-date, just \$25,862 has been spent; about 1% of all expenditures.

**Comparison of Expenses Through June 2016  
Actual and Budget**

Item	Actual	Budgeted	Variance (negative numbers mean actual exceeded budget)	Actual as a % of Budget	% of Actual Expenses
Board & Committee	\$18,158	\$27,810	\$9,652	65%	1%
Outreach marketing	\$25,862	\$38,952	\$13,090	66%	1%
General Administrative	\$173,930	\$183,718	\$9,788	95%	8%
Executive Staff	\$225,616	\$244,305	\$18,689	92%	11%
Professional Standards	\$750,655	\$760,944	\$10,289	99%	36%
Educational Standards	\$49,766	\$56,082	\$6,316	89%	2%
General Staffing	\$85,973	\$87,067	\$1,094	99%	4%
Professional Services	\$550,653	\$573,567	\$22,914	96%	26%
Miscellaneous	\$0	\$36,000	\$36,000	0%	0%
Priority Projects (not funded by 2016 operations)	\$223,159	\$413,156	\$189,997	54%	11%
<b>TOTAL</b>	<b>\$2,103,773</b>	<b>\$2,421,602</b>	<b>\$109,165</b>	<b>87%</b>	<b>100%</b>

Statement of Financial Position (Balance Sheet)

Overview

As of June 30, 2016, CAMTC continues to be in a healthy financial position. Total equity exceeded the favorable year-ago position. At \$2,588,799 equity was up 18% from June 30, 2015.

The other components of the balance sheet are performing as follows:

- The asset position is strong. Assets, at \$3,735,806 are up by 19% from \$3,126,375 a year ago. Almost all the assets are in cash or cash equivalents. .

- Liabilities are also up from last year... Since liabilities in this case are composed entirely of deferred income, a high level of liabilities does not have the usual connotation of unpaid bills. Liabilities are \$1,012,376, up 8% from the comparable year-ago period. The increase primarily reflects deferred gains from Re Certifications.

## Conclusions

The primary issue raised by the data continues to be the leveling in the number of Active Certificate Holders. If, as is generally acknowledged, the category of massage therapists is growing, CAMTC is not receiving the expected number of New Applications. To the extent that CAMTC is not certifying these therapists, short and longer term revenues are jeopardized. Some other issues which continue to warrant attention:

- Some investigation of the extent to which the new rule of 500 hours for certification may be affecting applications is warranted.
- More important than ever might be the CAMTC goals of building awareness and a favorable image among both potential New Applicants and Renewals, the dollars spent on Outreach Marketing should be viewed as important to the long term success in staying in touch with the market

Respectfully submitted by  
Michael Marylander,  
Treasurer  
September 19, 2016



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

To: CAMTC Board of Directors  
From: Rick McElroy, Director of Professional Standards Division  
For: Board Meeting – September 28-29, 2016

## **PSD Interaction with Law Enforcement**

PSD continues on pace with last year and has performed 1,814 reviews through August, 2016. This number has remained constant for the last 3 years. We continue to field more inquiries from cities and police departments regarding not only arrests, but citations, local permit revocations/suspensions as well as notifications concerning work locations where certified individuals are working (massage) while being suspended by CAMTC. We are also receiving many more requests for information on certificate holders who are applying for local permits. The cities report that they are using the government agency site to evaluate background information available to them as well as information they receive from PSD. The new data system will be an invaluable tool assisting cities to fully implement AB 1147.

## **PSD Outreach**

PSD outreach efforts continue to remain steady. We are still receiving training requests and are currently scheduled well into December. Training was limited in July and August due to officer's summer vacations. Another trend that continues to gain strength is outside agencies that request training such as Code enforcement, district attorneys, health departments, business licensing, and permitting divisions. These agencies are seeing the value of working with CAMTC and are scheduling the training sessions for their folks as well as the police officers as a combined team effort. PSD investigators who regularly contact outside agencies are also actively offering CAMTC training, contributing to the overall effort to educate the cities to be more effective protecting the public.

## **Media**

Although no official media has occurred this period, we are seeing the effects of our training as cities are citing these training events as background information for their new massage ordinance updates.



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

To: CAMTC Board of Directors  
From: Joe Bob Smith, Director of Educational Standards Division  
For: Board Meeting – September 28, 2016

## **CAMTC Approved Schools Officially Launches**

CAMTC officially launched its Approved School program on July 1, as scheduled. As of July 1, 2016, CAMTC only accepts education from CAMTC approved schools. A caveat is that we will continue to accept education from schools closed prior to June 30, 2016, until December 30, 2016. Additionally, educational hearings related to un-approved schools and applications received by June 30, 2016, will continue for several months.

Accepting education only from approved schools will assure that certificate holders have the necessary education and make applicant processing more efficient, saving time and money. Positive benefits are already being felt and will be even more evident over the next few months.

## **School Statuses**

We have over 60 CAMTC approved schools and 2 provisionally approved schools with more added weekly. Most of these schools have already received their Certificate of School Approval to display and a licensing agreement to use the CAMTC Approved School seal on their websites and printed materials.

While there are many individual reasons for schools to be still pending, they fall into three primary groups of about a third each: 1) “permanently pending” schools are on hiatus or lack students at present; 2) still processing; or 3) applied in 2016. Of the 26 applications received in 2016, all have been reviewed and nearly all schools have been contacted for missing items with numerous site visits either performed or scheduled.

Since June 2015, ESD staff has made over 150 site visits including scheduled, unscheduled, and investigative visits.

## **CAMS Database Implementation**

The school approval process has verified what we feared – that a lot of fraudulent behavior has existed in massage schools. While we have cleaned much of that up with our approved schools, we continue to hear stories about approved schools being approached by questionable buyers or “recruiters” offering to pay to bring in lots of new students. CAMTC has amassed a large amount of data regarding this and the new database will help us organize and call upon that information as necessary. After much testing, we’re excited to be starting the massive data migration and look forward to fully integrating its capabilities into our operations. CAMS and the new website will greatly improve the way we service and interact with schools.



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

**To:** CAMTC Board of Directors

**From:** Ahmos Netanel, Chief Executive Officer

**Date:** September 28, 2016

**Subject:** Mission Statement – update

In order to more accurately reflect CAMTC's programs, it is recommended that the Board consider making the following amendments to the mission statement:

California Massage Therapy Council's mission is to protect the public by certifying **qualified** massage professionals in California **that meet the requirements in the law and approving massage programs that meet minimum standards for training and curriculum.**

Plain text:

**California Massage Therapy Council's mission is to protect the public by certifying massage professionals in California that meet the requirements in the law and approving massage programs that meet minimum standards for training and curriculum.**



# CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814  
tel 916.669.5336 fax 916.669.5337 www.camtc.org

**To:** CAMTC Board of Directors

**From:** Ahmos Netanel, Chief Executive Officer

**Date:** September 28, 2016

**Subject:** Proposed 2017 strategic priorities

Staff has had meetings and conversations with the Chairs of the Assembly and Senate Business and Professions Committees, as well as their staff, to ask what they would suggest as priorities for the coming year. The following are based on these discussions as well as our assessment of the changing dynamics affecting massage professionals and consumer protection.

As part of the planning discussion for 2017, the board may wish to consider the adoption of the following list of strategic priorities:

- 1. Schools** – In light of the recent closure of several major private colleges and the implementation of CAMTC's school approval program, there is concern about adequate opportunities for quality training in therapeutic massage. CAMTC will evaluate the potential impact of these developments on the profession and the public and explore CAMTC's role in fostering broad accessibility to massage education throughout the state.

2. **Accountability** - To ensure that CAMTC and its stakeholders can review CAMTC's progress in meeting its public protection mission, CAMTC will regularly track and publicly post on the website its disciplinary performance measures.
  
3. **Local Government Relationships** - CAMTC will continue to support and collaborate with cities and counties by providing education on CAMTC's certification, school approval program, and the use of revocable registration. CAMTC will continue to build a positive relationship with the League of California Cities and California State Association of Counties. CAMTC will track and report to the Legislature how well cities comply with their legal responsibility to impose and enforce only reasonable and necessary fees and regulations on massage businesses and massage establishments, in keeping with the requirements of existing law and mindful of the need to protect legitimate business owners and massage professionals, particularly sole providers.
  
4. **Businesses** - Build a comprehensive database of massage establishments and spa owners in order to provide outreach and communication with this important group of stakeholders.

**CAMTC Schedule of Authority- 5/9/13**

	<b>Board of Directors</b>	<b>Executive Committee</b>	<b>Chair</b>	<b>Treasurer</b>	<b>CEO</b>
<b>Organizational Issues</b>					
Bylaw changes	<b>A</b>				<b>B</b>
Board agenda	<b>B</b>	<b>B</b>	<b>A</b>		<b>B</b>
Engagement of consultants, attorneys & vendors	<b>A</b>	<b>B</b>	<b>B</b>		<b>A</b>
Employment of auditing firm	<b>A</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>B</b>
Serious stakeholders complaints	<b>A</b>		<b>E</b>		<b>A</b>
Taking official positions	<b>A</b>		<b>A</b>		<b>B</b>
<b>Programs, Products &amp; Services</b>					
New programs, products or services	<b>A</b>		<b>D</b>		<b>B</b>
Change in strategic alliances	<b>A</b>		<b>B</b>		<b>E</b>
Meetings sites	<b>A</b>		<b>B</b>		<b>B</b>
<b>Budget and Fiscal Control</b>					
Annual budget	<b>A</b>		<b>F</b>	<b>F</b>	<b>F</b>
Overspend budget line items, but not to exceed a category	<b>A</b>		<b>B</b>	<b>F</b>	<b>A</b>
Overspend (IN A CATEGORY) overall budget	<b>A</b>		<b>B</b>	<b>F</b>	<b>F</b>
Check signing authority under \$10,000				<b>A</b>	<b>A</b>
Check signing authority over \$10,000, two must co-sign			<b>G</b>	<b>G</b>	<b>G</b>
<b>Personnel Issues</b>					
Salary ranges of staff, hiring and firing decisions, adding staff within budget	<b>A</b>		<b>E</b>		<b>A</b>
Changes in staff benefits within budget	<b>A</b>		<b>B</b>		<b>A</b>
Changes in personnel manual	<b>A</b>		<b>B</b>		<b>B</b>
Establishing new employee positions within budget	<b>A</b>		<b>B</b>		<b>A</b>
<b>CEO Compensation and Responsibilities</b>					
Hiring and firing CEO	<b>A</b>				
Evaluation of performance	<b>A</b>	<b>C</b>			<b>C</b>
Establishing CEO compensation	<b>A</b>		<b>B</b>	<b>B</b>	<b>C</b>
Approval of vacation schedule (FOR STAFF)					<b>A</b>
<b>Governmental and Legal Issues</b>					
Commits organization to law suit	<b>A</b>		<b>E</b>		<b>B</b>
Testify at public hearings	<b>D</b>		<b>A</b>		<b>A</b>
Legislative Policies	<b>A</b>		<b>A</b>		<b>B</b>
Taking urgent official positions	<b>C</b>		<b>A</b>		<b>A</b>
<i>A = Decision maker</i>					
<i>B = Makes recommendations to decision maker</i>					
<i>C = Must be advised</i>					
<i>D = May be consulted</i>					
<i>E = Must be consulted</i>					
<b>F= MAKES RECOMMENDATIONS TO BOARD</b>					
<b>G= MUST CO-SIGN</b>					